

## Message Text

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PAGE 01 CALGAR 00144 011850Z

ACTION OES-06

INFO OCT-01 EUR-12 ISO-00 ERDA-07 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FEAE-00 FPC-01 H-02  
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04  
USIA-15 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02  
PRS-01 /117 W

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P R 011800Z APR 77

FM AMCONSUL CALGARY

TO SECSTATE WASHDC PRIORITY 1964

INFO AMEMBASSY OTTAWA

AMCONSUL TORONTO

AMCONSUL VANCOUVER

UNCLAS CALGARY 0144

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: PAN ALBERTA AND TRANSCANADA PIPELINES PRESS FOR  
AGREEMENT TO SELL ADDITIONAL EXPORT GAS TO WESTCOAST  
TRANSMISSION COMPANY

1. SUMMARY: BOTH TRANSCANADA PIPELINES AND THE PAN ALBERTA GAS COMPANY ARE SEEKING PERMISSION FROM THE BRITISH COLUMBIA PETROLEUM COMMISSION FOR THE DAILY SALE TO WESTCOAST TRANSMISSION COMPANY OF 200 MILLION CUBIC FEET OF ALBERTA GAS. A DECISION ON THESE GAS DELIVERY PROPOSALS IS EXPECTED IN EARLY APRIL. IF APPROVED, THIS SALE WOULD SUBSTANTIALLY REDUCE PRESENT SHORTFALL IN WESTCOAST GAS EXPORTS TO THE UNITED STATES. END SUMMARY.

2. PAN ALBERTA GAS COMPANY AND TRANSCANADA PIPELINES ARE SEEKING PERMISSION FROM THE B.C. PETROLEUM COMMISSION FOR SALE TO WESTCOAST TRANSMISSION COMPANY OF 200 MILLION CUBIC FEET OF GAS DAILY FOR EXPORT TO THE U.S. GAS DELIVERY  
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ARRANGEMENTS OF BOTH TRANSCANADA AND PAN ALBERTA INVOLVE SHIPMENT THROUGH WORSLEY-ST. JOHN CONNECTION OF 75 MILLION CUBIC FEET AND LAYING OF 80 MILES OF 16 INCH PIPE TO CONNECT ALBERTA GAS TRUNK LINE SYSTEM IN THE FAIRVIEW OR EAGLESHAM AREA OF ALBERTA WITH THE WESTCOAST POUCE COUPE PIPELINE JUNCTION. THIS ROUTE WOULD SUPPLY 125 MILLION CUBIC FEET OF GAS DAILY. IF NECESSARY GOVERNMENT APPROVALS CAN BE

EXPEDITED, INDUSTRY SOURCES HERE INDICATE THAT POUCE COUPE LINK COULD BE IN OPERATION AS EARLY AS NOVEMBER 1977.

3. GAS SHIPMENT ARRANGEMENTS PUT FORWARD BY TRANSCANADA AND PAN ALBERTA ARE SIMILAR BUT TERM OF SUPPLY IS SHARPLY DIFFERENT. PAN ALBERTA IS PROPOSING EITHER EXTENDABLE FIVE YEAR CONTRACT OR TWELVE YEAR DELIVERY TERM. LATTER ARRANGEMENT INVOLVES LOWER LOAD FACTOR, I.E., 72 PERCENT, AND SOME DELIVERIES (ABOUT 55 MILLION CUBIC FEET) ON BEST EFFORT BASIS ONLY. TRANSCANADA CONTRACT WOULD INVOLVE DELIVERIES AT HIGH LOAD FACTOR (85 PERCENT) OVER NEXT THREE YEAR PERIOD.

4. COMMENT: CALGARY GAS COMPANY EXECUTIVES SPECULATE THAT BRITISH COLUMBIA OFFICIALS EILL BE MORE LIKELY TO APPROVE SHORT TERM DELIVERY ARRANGEMENT SINCE IT WIDELY BELIEVED THAT UP TO 150 MILLION CUBIC FEET OF GRIZZLEY VALLEY GAS WILL BECOME AVAILABLE ON A DAILY BASIS IN 1979, AND B.C. GOVERNMENT WILL WISH TO TAKE ADVANTAGE OF THIS ADDITIONAL ROYALTY REVENUE. SALES AGREEMENT WITH B.C. IS BEING PUSHED HARD BY GOVERNMENT OF ALBERTA WHICH IS UNDER SEVERE PRESSURE FROM SMALLER PRODUCERS WHO HAVE BEEN UNABLE TO FIND A MARKET FOR THEIR GAS. NEW CONTRACT WITH WESTCOAST IS ALSO IMPORTANT FOR TRANSCANADA, WHICH HAS 80 BCF GAS OVERSUPPLY IN CURRENT CONTRACT YEAR (NOV. 1/76-OCT. 31/77), AND PROJECTED 160 BCF GAS SURPLUS IN 1977-78 CONTRACT PERIOD. PAN ALBERTA OFFICIAL OPINED THAT PROPOSED GAS SALE WOULD CUT WESTCOAST GAS EXPORT SHORTFALL FROM ABOUT 260MILLION CUBIC FEET TO 90 MILLION

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CUBIC FEET DAILY.  
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## Message Attributes

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**Channel Indicators:** n/a  
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**Subject:** PAN ALBERTA AND TRANSCANADA PIPELINES PRESS FOR AGREEMENT TO SELL ADDITIONAL EXPORT GAS TO WESTCOAST TRANSMISSION COMPANY  
**TAGS:** ENRG, CA, US, PAN ALBERTA, TRANSCANADA PIPELINES  
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**Review Markings:**  
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